



# Evergreen Health: At a Glance

- One of 23 non-profit health insurance Co-ops created nationally as part of the Affordable Care Act
- The only Co-op in Maryland
- First new commercial health plan in Maryland in more than 2 decades
- Founded by local Maryland physicians with a Board of Directors that is majority members
- Aligned with 4 community-based primary care offices
- Over 20,000 members, both in the Individual and small group markets, on and off Exchange – experiencing exponential growth

# Evergreen Health's Viewpoint: Innovation is Required

Commercial, government and individual payers cannot afford health care with its current cost structure.

Most current standard payment methodologies and benefit design still incentivize volume not value.

Critical need to develop an *innovative approach* to reimbursement and benefit design

## Evergreen Health's Viewpoint: Innovation is Required (2)

- Precept: *If providers are rewarded for value, patients receive better care*
- Creating a *partnership* between payer and a delivery system serves to identify and combine the strengths of both and aligns incentives to improve quality, increase efficiency, and enhance the member/patient experience; that will produce market differentiating value. It will also allow for creative benefit design
- Market Differentiation in *managing value and efficiency is a critical success factor* as the source of payment has shifted with the more than 400,000 Marylanders who have gained coverage under the new Exchange environment.
- *The majority of these newly covered have had no usual source for care*, no checkup in the past 2 years and no interaction with the medical system during the previous year thus creating significant strain on the health care system. (Kaiser Health Foundation Survey)
- Managing the volatility of this need within a global budget increases any one system's administrative burden.

# Evergreen Health's Answer to the Challenge: Build a High Performance Network

*A High Performance Network is critical to succeed in the reform environment. An HPN is defined as:*

- Exclusive, narrow network product, focused on quality and efficiency and providing value to the member
  - *Mutually developed innovative product design that is co-branded will increase market share and balance payer portfolio*
- We have developed an HPN using a unique health system-centered approach, focusing on PCPs and Patient Centered Medical Home program components

## Evergreen Health's Answer to the Challenge: Build a High Performance Network (2)

- Evergreen will have a Sharing & Quality Bonus Program that aligns the incentives to improve performance and outcomes. We share positive quality and financial performance results, supporting the triple aim.
  - There is only up-side potential to improve quality and efficiency and to then share in those gains
  - As a partner, Evergreen Health will provide superior support to assist in patient population management and improved efficiency

# Evergreen Health's HPN Shared Savings & Quality Bonus Program:

## *Four Program Components:*

- Market Competitive Payments
  - FFS payments to hospital, PCPs and Specialists targeted to create product pricing yielding a 10% reduction against current market price point – *network is jointly developed*
- Innovative Product Design to support Quality and Efficiency
  - Variable cost share structures to support healthy member behavior and higher quality outcomes – *jointly developed product design*

# Evergreen Health's HPN Shared Savings & Quality Bonus Program (2)

- PCP Care Coordination Payment
  - Compensation for care coordination supporting a patient focused model of care that is paid on a PMPM basis to cover expenses associated with programs to enhance member relationships
    - Increased access to care
    - Condition screening and care plan development for selected patients
    - Adherence to Evidence Based Guidelines, close gaps in care, disease and case management program participation
- MLR Performance-Based Sharing & Quality Bonus Payment
  - MLR Target Budget set at 78% and if performance is better, the difference is shared
    - 'Payment Gate' swings open when quality measure targets are met

## Evergreen Health's HPN Shared Savings & Quality Bonus Programs (3)

### “What's In It For Me?”

- *Unique opportunity to partner with Evergreen to build innovative healthcare products*
- *Co-branding of this new product*
- *Jointly build a network of high quality, loyal providers*
- *Exclusive relationship with Evergreen*
- *Increased marketshare*
- *Balance Payer Portfolio*
- *Optimize Payment Methodology*